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SUBJECT: AMBASSADOR'S VISIT TO TVER

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¶1. (SBU) SUMMARY: Tver Governor Dmitriy Zelenin is a businessman turned politician who integrates a Western business outlook in his style of government. During the Ambassador's visit to Tver Oblast on April 20, Zelenin outlined his priorities and described the future for economic development and public services delivery in the region. The Ambassador later addressed students at Tver State University.
END SUMMARY.

An Entrepreneur as Governor

¶2. (SBU) Governor Zelenin is a member of the new generation of Russian leaders. From his post-university software startup in 1989, he worked his way into banking, manufacturing, investment (as General Director of Interros) and ultimately onto the Norilsk Nickel Board of Governors. He turned to politics in 2003 when he was elected Governor of Tver and joined the United Russia party.

¶3. (SBU) In his meeting with the Ambassador, Zelenin focused almost exclusively on economics and public services in Tver Oblast. Although he mentioned the familiar regional complaint that Moscow provides insufficient resources for infrastructure and social needs, Zelenin offered a more business-oriented solution, suggesting the focus should be to develop Tver's internal resources and attract greater Russian and international investment. He said Tver's development problems were rooted in the transportation bottleneck. Tver's poor road infrastructure and inadequate airport made it difficult and expensive to export goods from the region and to get businessmen and tourists to visit. These deficiencies squander Tver's greatest natural advantage: its location between Moscow and St. Petersburg.

The New Jersey Model

¶4. (SBU) Zelenin said Tver's proximity to Moscow, coupled with lower property and labor costs than Moscow, positions Tver to draw investment for manufacturing and distribution, much as New Jersey has drawn economic advantage from its proximity to New York City. The Governor's office has an active foreign investment marketing program, and Tver has already secured significant foreign investment, such as a USD 20 million German automobile distribution center, a USD 40 million Georgia-Pacific paper manufacturing plant, and a USD 123 million Chinese glass manufacturing plant.

15. (SBU) Tver Oblast is a large, sparsely populated region -- it has an area greater than Austria and only 1.5 million people, a third of whom live in the capital. As the neighboring Moscow Oblast becomes more congested and land prices rise, Tver Oblast is drawing Muscovites to build dachas and to vacation around its more than 600 lakes. Zelenin has encouraged this trend and has been actively promoting tourism and outdoor sports. While he briefly discussed agricultural development, which he described as "more productive than average for Russia," he claimed that no more funding was forthcoming from the federal government for this national priority project.

Social Development via Economic Development

16. (SBU) Zelenin said Tver's sparse population and rural character make it difficult to ensure the full range of public services. Education and healthcare were hampered by a shortage of teachers and doctors. Zelenin said that he seeks to change the mentality of the people towards self-reliance and away from seeking paternalistic government handouts. His plan to improve services was to improve overall economic conditions and to keep young adults (who require fewer services on average) in the region through better job opportunities. Zelenin said that he was actively promoting small business incubators and technology service providers such as computer call centers and software development businesses.

Tver State University

17. (SBU) The Ambassador later spoke with about 200 students at Tver State University. The questions from the students

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focused on social issues and education. In a turnabout from the usual questions about how they could study in the United States, they asked why there were not more American students in Russia. They also pressed the Ambassador on whether globalization was really best for Russia. Their questions revealed a polite skepticism of the United States and a curiosity about American motives for Jackson-Vanik and the recent report on Supporting Human Rights and Democracy.

Comment

18. (SBU) Zelenin is different from most Russian politicians because his governing style is influenced by his success as a businessman. He is not expecting the center to solve his problems but is instead trying to leverage the inherent advantages of his region for greater economic development.
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